

September 17, 2012

Re: Your letter dated July 16, 2012 - Final Settlement Hearing and related derivative actions. Note: J&J is shorthand for Johnson and Johnson Inc.

CLERK, U.S. DISTRICT COURT
DISTRICT OF NEW JERSEY
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2012 OCT 1 AM 11:53

To:

Clerk of the Court
Clarkson S. Fisher Building & U.S. Courthouse
402 East State Street
Trenton, New Jersey 08608

Mr. James E. Cecchi
Becker Farm Road
Roseland, NJ 07068

Mr. Gary Graifman
210 Summit Avenue
Montvale, NJ 07645

Mr. Erik Hass
1133 Avenue of the Americas
New York, NY 10036

Mrs. Kristen R. Seeger
One South Dearborn Street
Chicago, IL 60603

Dear Sirs and Madam

It is with some irritation that I am writing this letter, so please take that into account when reading it. We received your letter on September 14 re: the proposed Final Settlement Hearing scheduled for September 28 with inputs requested from all reviewers and shareholders by September 14 - and I put it in our "to be read soon" pile of incoming mail (obviously, this will be a "late" entry ~ if at all). The letter was correctly addressed, so I have no clue as to why it was so delayed.

By the way, I am married and my wife's first name is "Joan." All of our securities are held in joint names. Both of us are retired. My wife and I are co-owners of a bit more

than 1500 shares of Microchip stock (as of Jan. 2009) and I believe Microchip is now also the co-owner of J&J. The J&J stock, which is currently under review, is the main reason for this letter.

Our home address is:

John & Joan Notestein
15214 E. Sundown Dr.
Fountain Hills, AZ 85268-2157
Phone: 480-836-1384

Substance:

There was almost nothing for me to write notes to you about other than the schedule (alluded to in the above). In total, it was a pretty clean piece of text. However, I am in a lousy mood and if I didn't mention the following points, you might have felt you had not gotten your money's worth.

1. Item A. (bottom of page 4 in your Care pkg. to me): This type of a section constitutes a huge trap ready to snap shut on a too enthusiastic writer and thus cause the host vendor some major heartburn. As written, J&J may not have had any problem with it (because there is no real "meat" in the written text) but, as written, there is a heck of a trap ready to be sprung and a Junior engineer is quite likely to fall into it. Did someone knowledgeable from J&J review a draft of this portion of the overall description?

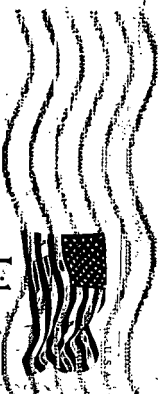
As written, this is an admirable group of words, but, also as written, there is a lot of leeway as to what will actually be provided to the reader. I can easily understand why J&J might have wanted to be a bit "vague" relative to these descriptions, but this is just too vague to preclude future problems. However, I suggest you use a more substantive description for this portion of the process description (but do not be so specific/explicit that J&J might worry about someone copying J&J's product). Remember, "explicit" descriptions are VERY valuable and often necessary, but NOT at this position in an overall process description (and if they do need to appear, the descriptions probably ought to be protected by appropriate sequestration – and remember, at this point in the description it is better to generalize the manufacturing process than to precisely define it.)

2. Item IV. (in the lower mid-part of page 9 of your Care pkg. to me). How did you arrive at the quoted costs? \$10 million as a unit cost seems a bit expensive, but it could be justifiable. Several years ago (my group at then GE) was involved in developing a very high temperature, post-reentry (>2000F), "impact protection" design. That development process was very complicated and it had high costs, but I don't believe that the development process resulted in unit costs in the "million dollar plus" range but the design was proven to work effectively.

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